

From: "Richard Mailloux" <rmailloux@claremontsavings.com> on 04/19/2004 03:20:08 PM
Subject: Economic Growth and Regulatory Paperwork Reduction Act of 1996 Review

Gentlemen;

Claremont Savings Bank is a mid-size Mutual Savings Bank located in the South Western part of New Hampshire. At present we do not have a full time compliance officer, and we are currently monitoring compliance by using four of our Senior Officers. Although this process has served us well for a number of years, needless to say, this method is very expensive.

As you know, regulations pertaining to lending, include Reg Z, Fair Lending, Community Re-Investment Act, ECOA, Fair Credit Reporting Act, Fair Housing, Home Mortgage Disclosure Act, Reg O, RESPA and I'm sure I've missed one or two.

To insure our compliance with these regulations, we also have to allow staff time for compliance exams. All this to protect a consumer who are at their wits end with government parenting that adds additional cost to their need to borrow money.

Our primary competition is from Mortgage Companies. Our question is who examines them?. The State their licensed in? If so, I'm sure the quality of the compliance exam is not equal to that of FDIC.

It is not only the burden of complying with lending regulations that is making lending more complicated than it should be. We are also required to gather data for third parties such as the IRS who have no connection with loan at all. These include filings for such things as interest paid on loans, amounts disbursed to contractors on construction loans, attorney fees that are collected at closing, and provide information of property sales. It seems that we are being called on to provide information to IRS for those who may not be declaring all of their income. This of course is paid by the consumer in one form or another.

One suggestion we would have is to create one regulation entitled "Anti Discrimination Act" to included any and all possibilities for discrimination. This could possibility eliminate ECOA, Fair Lending, Fair Housing. Also, in conjunction with this recommendation would be to create a simple language law. It is important to put something in front of the consumer that they stand a reasonable chance of understanding. We insist on protecting them, but take away the tool for them to protect themselves by putting document in front of them that they don't fully comprehend. One time,,,, have a legislator try to explain Reg Z to a consumer that has just purchased their first home with an ARM product. (Please invite me to that closing, I'd love to watch)

Sincerely;

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Vice President/Senior Loan Officer

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